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COUNTRY Czechoslovakia
SUBJECT Analysis of the Manpower Situation in Czechoslovakia

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1. As is evident from the declaration of Antonin Zapotocky, the Prime Minister, the situation in the production sector of the Czechoslovak economy is not satisfactory and not as it was envisaged in the Two-Year Plan. The labor situation is particularly unsatisfactory in spite of the fact that the entire labor force is organized in the ROH (Revolutionary Trade Union Movement). (According to the daily press, 2,300,000 workers - among them 540,000 women - are organized in the ROH. Lidove Noviny of 1 June 1948 stated that up to 1 May 1948 there were 1,204, 917 job holders in industry in Bohemia and Moravia).
2. First of all, there is a considerable fluctuation of manpower in the various sectors of production. According to Rude Pravo, which quoted Mr. Zapotocky's declaration, the fluctuation reached 120% per annum in the textile industry. Consequently, the workers cannot be properly trained for their jobs and there is a lack of skilled labor. This is highly detrimental to the quality and the quantity of the goods produced, increases waste, and necessitates a further expansion of administrative work. The greatest fluctuation of manpower is in the border districts, in the former Sudetenland, which still represent the weak spots in the Czechoslovak economy. Thus for example every employee in the District of Karlovy Vary and the District of Liberec changed his job approximately once in the course of 1947. In the Cheb District the fluctuation is even greater. In the Chomutov District, the labor force of 49,000 was increased by 61,000 newcomers. The As District presents the most unfavorable situation in this respect with a fluctuation of 120%. (According to the Labor Exchange and the Rude Pravo of 24 June 1948, there is a fluctuation of 100,000 laborers, i.e. 8% of the 1,200,000 employed in industry. According to another report of the Rude Pravo, this fluctuation amounts to 25% of the labor force). The fluctuation in the Stalin Works at Usti Nad Labem reached 94.1% in the course of 1947 and 79% in the first quarter of 1948.
3. In the mining industry and in metallurgy there is a remarkable percentage of workers changing their jobs. In the mining industry it amounts approximately to 25%, in the metallurgy to 7 to 12%. The greatest fluctuation appears again in the Metallurgical Works at Chomutov and Dvur Kralove, which belong to the Steel Works Corporation.

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4. In addition to other reasons, the fluctuation of workers is to be ascribed to the lack of workers in the various sectors of production and the workers' search for the most favorable wages. The voluntary work brigades have also had an unfavorable influence upon the percentage of labor fluctuation.
5. The most acute shortage of labor appears to be in mining where more than 10,000 permanent workers are wanted. Then follow the metallurgical industries (especially the foundries), energetic industry where there is an urgent need for skilled workers, and agriculture where at least 90,000 laborers are needed for the harvest. For picking of hops some 100,000 season laborers would be needed. In order to secure workers for the harvest period it would be necessary to use brigades from the industries. (The latest reports indicate that industrial brigades have been discontinued for the time being.)
6. The permanent lack of workers is being increased by absenteeism, which indisputably has its effects on production. In some cases the loss of working hours caused by absenteeism amounts to 25% of the total.
7. Consequently, by the end of May 1948, the Two-Year Plan was being fulfilled by 97.7 % only. The textile industry, for example, fulfilled less than 50 % of the Plan. Other industries whose performance fell even below 20% during the first 4 months of 1948 are the following:

Cement.....	10%
Castings.....	10%
Sickles.....	1%
Metal Furniture.....	3%
Aluminum Ware.....	5%
Aluminum Sheets.....	18%
Machines for Working Up Wood....	18%
Hemp Yarn, Silk Thread, Umbrellas, Dress Material, Gloves, Hides, and Leather.....	0%
8. The Government has, therefore, decided to face this decrease in production by introducing payment for piecework and by equalizing wages in all sectors of industry (except mining). It is further planned to provide workers with flats as well as other social benefits the absence of which influences the fluctuation. According to an article in Rude Pravo dated 9 June 1948 the first sanctions have been instituted against irregular attendance and late reporting for work. In the Karvinna-Ostrava coal fields miners will be punished for absenteeism by confiscation of their extra food coupons (which will be given to hard working laborers); the young miners will be fined by reductions in wages.
9. As seen from the above, the labor problem proves itself to be a bottleneck on the way to the realization of the Two-Year Plan.
10. It would not be advisable to draw conclusions from the results of the May elections or connect them in any way with the economic side of the picture in Czechoslovakia. The districts where the election results were most favorable for the Communist National Front are the newly colonized districts on the border where the production figures show the poorest performance.

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On the other hand, the districts of Pilsen, Ostrava, and Pardubice, where the election results were much less favorable (less than 90%), have been showing very substantial progress in the realization of the Two-Year Plan:

<u>District:</u>	<u>Votes for the Communist National Front in percent:</u>
Karlovy Vary, Cheb, As.....	95.16
Usti Nad Labem, Chomutov.....	97.30
Liberec.....	93.10
Pilsen.....	88.20
Ostrava.....	86.50
Pardubice.....	79.00

11. The greatest fluctuations in manpower were in As, Cheb, Chomutov, Karlovy Vary, and Usti Nad Labem, where (in the course of 1947) each employee changed his job once or twice. In the districts of Plzen (Pilsen), Ostrava, and Pardubice the conditions of manpower are settled; Minister Kliment has cited the Steel Works at Ostrava-Vitkovice as a good example.
12. Kladno can be cited as a proof of the fact that the Communist Party membership is not the measure of productivity. (Kladno is mainly a mining and steel district). The National Front received the largest percentage of the vote in this district (99.5%), but the local miners, who are mostly Communist Party members, fulfilled the Two-Year Plan in May only by 88.2%. It is interesting to compare the production figures with the election results in other mining and steel districts (Ostrava) where the relationship is just the opposite.
13. It is, therefore, clear that many workers who disagree with the present regime are anxious to help in the economic reconstruction of the country and in the increase of production far more than those who proclaim themselves supporters of the regime.
14. It is also apparent that the ROH, in which almost all of the 1,200,000 industrial workers have been organized, does not hold its "voluntarily" organized members under control. In spite of the incessant appeals in the trade unions' press, ROH has not been able to influence the (working) morale of its members.
15. It is not possible to draw far reaching conclusions from the drop in production figures for the month of May, especially since this marks the beginning of the summer months (and vacations). The preparations for the Sokol Festival also affected the production figures. A further drop in production must be expected as the lack of manpower on the farms will force the Government to send some brigades from the industry to help in harvesting.
16. As far as the general productive capacity of Czechoslovakia (and of the Eastern bloc as well) is concerned, the inadequate performance of the economy in the light of the Two-Year Plan represents a significant delay in the effort to build up an independent industrial Eastern bloc which would strengthen the war potential of the East. The main task of the Two-Year Plan was reconstruction, that is, raising the production figures to their pre-war level.

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The Five-Year Plan, the outlines of which are already visible, is to contribute on a greater scale to the industrialization of Eastern Europe. The delay in the fulfilment of the Two-Year Plan means an automatic delay in, and weakening of, the Five-Year Plan and, consequently, a delay in industrialization and a decrease in the war potential of the Eastern bloc.

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